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TAGS: [ENRG](#) [GR](#) [AL](#) [MK](#)

SUBJECT: COPELOUZOS GROUP CHAIRMAN BRIEFS ON ENERGY PLANS  
AFFECTING NORTHERN GREECE, MACEDONIA AND ALBANIA.

Classified By: Ambassador Charles Ries for Reasons 1.4 (b,d)

11. (C) Summary. Copelouzos Group Chairman Dimitris Copelouzos briefed the Ambassador April 27 on his proposal to build a "West Macedonia Branch" of the Turkish-Greece-Italy (TGI) gas interconnector. According to Copelouzos, whose firm is closely linked with Gazprom, this could supply natural gas to Macedonia, as well as power plants in northern Greece and a 300 megawatt plant in Korje, Albania that his firm hoped to build. According to documents Copelouzos provided the Ambassador, the branch could also "serve as a fuel source for the 150 MW CCGT plant in Vlore that is currently under development." Copelouzos asked for the USG's assistance in recommending the project to the Albanian government and urging the GOA to establish a workable payment plan for the plant. As for TGI, Copelouzos claimed Gazprom was not particularly interested in filling that pipeline with its gas, a claim that runs counter to everything we are hearing from our GoG contacts. End Summary.

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A "West Macedonia Trunk Line" Could Provide  
Energy to Macedonia, Northern Greece and Albania  
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12. (SBU) Copelouzos estimated the capacity of the West Macedonia trunk line at 1-2 bcm, which would be fed out of TGI. Under Greek law, he noted, the state has the first right of refusal to build the line. He argued that a turn-key operation without GoG participation would, however, be more efficient, proposing his company's joint venture with Gazprom, Prometheus, construct the line in cooperation with the U.S. firm ContourGlobal. Copelouzos said he had not yet discussed his idea with Greece's semi-privatized energy provider (PPC), but said he expected the company to view it very positively. In an aside, Copelouzos noted his firm(s) had constructed 70% of PPC's powerplants.

13. (SBU) Copelouzos claimed that the trunk line could have major, positive ramifications for power generation in northern Greece, Macedonia and Albania. The provision of gas to existing lignite power stations in northern Greece would allow the gas to replace expensive and polluting fuel oil in slurry with the lignite, and, later, would allow for the construction of modern combined cycle plants. One of these plants, in Florina, could supply electricity to Macedonia, just 15 kilometers distant. Copelouzos' proposed plant in Korje, Albania would, he said, make a contribution to filling the electric power deficit in Greece's northern neighbor. According to his plan, the Korje plant would belong to Prometheus and he noted it had already signed documents on the plant with the Albanian government. Unfortunately the

plant had not yet received final GoA approval, something Copelouzos hopes to discuss with the current Albanian energy minister in May.

¶4. (SBU) In closing his presentation on the trunk line, Copelouzos asked for Amb's help with the GoA on the Korje powerplant, particularly vis--vis the issue of establishing a workable payment plan.

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TGI: Gazprom Not Particularly Interested...  
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¶5. (SBU) Copelouzos said the TGI Interconnector is such a large pipeline that it could easily accommodate a diverse set of gas inputs, including Azeri gas. He furthermore claimed Gazprom did not have the ability to fill TGI, even if it wanted to do so. Although Bluestream I could ramp up quickly to 8bcm from the current 4, one had to remember that Turkey was to receive 4bcm. That would leave only 4bcm for TGI, which is supposed to deliver 8.5 bcm to Italy. Copelouzos discounted claims Russia could easily meet additional demand by constructing another pipeline to Turkey. He furthermore claimed Gazprom did not have a strong motivation to fill TGI, as the firm makes less money from gas it sells to Italy than gas it sells to Turkey. Lastly, the fact that Azeris can undercut Gazprom gas on basis of price makes it even harder for Gazprom to sell into TGI. In any case, Copelouzos claimed to be agnostic on the source of TGI's natural gas supplies: "I am a businessman; I just hope decisions on TGI are made on the basis of good economic senseQ

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Comment  
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¶6. (C) Copelouzos' claims that Gazprom is not particularly interested in filling TGI with its products runs directly counter to everything we are hearing from our GoG contacts. As recently as May 12, the head of Greece's natural gas company, DEPA, told us of his concerns that the Russians were going to link the extension of Greece's existing natural gas agreement with Russia, which runs out in 2016, with the issue of the gas going into TGI. This issue is likely to be discussed during the Greece-Russia energy bilateral meeting scheduled for June 9. We will report on that meeting once we have a readout.

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